

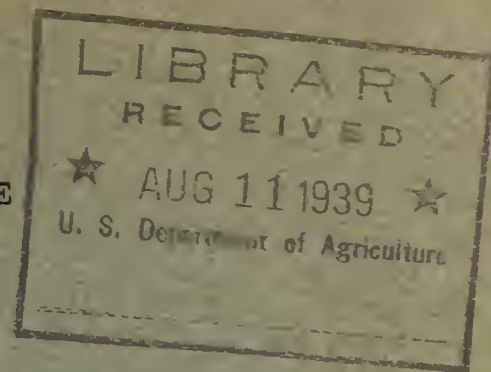
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UNITED STATES DEPARTMENT OF AGRICULTURE  
SOIL CONSERVATION SERVICE  
Region Eight  
Albuquerque, New Mexico



Hugh G. Calkins  
Regional Conservator

RURAL REHABILITATION IN NEW MEXICO

Regional Bulletin No. 50  
Conservation Economics Series No. 23  
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In this discussion of rural rehabilitation in New Mexico, it is not my desire to act as either protagonist or antagonist for the work of any particular agency. Rather, I wish to present certain basic principles which must be considered in any realistic attempt at rural rehabilitation.

Rural rehabilitation as a widespread form of governmental activity is a direct outgrowth of the economic crisis of 1929. Characteristically, the problem of attempting to ameliorate the condition of destitute farmers was referred to the Federal Emergency Relief Administration. This destitution was considered not only an emergency but also a problem of unemployment. The creation of the Resettlement Administration in the Department of Agriculture in 1935, however, related the problem of rehabilitation to the existence of long-range economic tendencies operating to deplete natural resources.

The Resettlement Administration has defined roughly four general areas in need of rehabilitation due to the failure of resources: (1) Dry-farming areas (2) Dead lumbering areas (3) Dead mining areas (4) Areas where poor land makes farming increasingly unprofitable under existing conditions. In many of the areas there was partial dependence on outside wage income. As a result of the crisis this additional source of income has vanished. To correct destitute conditions in rural areas the Resettlement Administration has adopted a two-fold program: (1) Rehabilitation--the temporary phase (2) Resettlement--the permanent phase.





Rehabilitation is essentially a scheme of financing or refinancing of individual families on their present location. It is also an attempt to improve methods of agriculture. Resettlement, on the other hand, is conceived as a long-range plan of adjustment through physical removal to more productive resources.

It is against this background of national policy that we shall consider rural rehabilitation in New Mexico. The intention, however, is not so much a detailed examination of the work of the Rural Rehabilitation Division as to describe the activity of this federal agency, then place before you certain considerations involving the nature of the problem in New Mexico.

One of the projects of the Resettlement Administration in New Mexico, the Bosque Farms project, was undertaken under the auspices of the Federal Emergency Relief Administration. It is questionable whether this particular project is fairly representative of the present policy of the Rural Rehabilitation Division of the Resettlement Administration. It, therefore, seems more profitable not to dwell on a discussion of this project.

Of seven recommended projects for cooperative enterprises in the State, only one has so far been approved--this one being a dehydrator plant in the Santa Cruz Valley. With the exception of these activities, all of the work of the Resettlement Administration is in the nature of loans. I am indebted to the office of the State Resettlement Administration for the following data:



Summary of Rural Rehabilitation Activities

Total number of approved clients	3,384
Estimated number of new clients to Dec. 31, 1935	936
Estimated number of new clients next 12 months	2,845
Average loan per approved client for the state	\$ 405.14
Average loan per new client for the state (next twelve months)	503.39
Average per cent of repayment on approved clients for the state for the next three years	83%
Average per cent of repayment expected this year	46%
Number of clients estimated as total loss	80

It is perhaps well to remember that the idea of governmental participation in rural rehabilitation was born in the midst of an economic crisis and is, therefore, dominated by the pressing need of a large relief population. The old and persistent concept of credit being in itself a resource, flourishes in the midst of hurried and often futile attempts to reorient the economy toward self-support. Rather than discuss in detail this activity and attempt to evaluate it, I wish to present for discussion certain basic principles involved in effective rehabilitation of a people operating in a deficient economy.

I have singled out a small unified area in the northern part of the state for consideration. The area I speak of is made up of the Santa Cruz River Valley from Santa Cruz to Sanctuario,



but including the communities of Rio Chiquito, Cundiyo, Cordova, and Truchas on the fringe of this valley. Here is an almost complete racial and economic homogeneity with a common language and very slight variations in wealth, now experiencing widespread economic distress. The area, in its twenty miles of length, includes a variety of climatic and soil conditions. Altitudes vary from 5800 feet at Santa Cruz to nearly 8000 feet on the Truchas plateau. The soil is fertile and irrigation water relatively plentiful. Here is also to be found an example of Spanish-American culture possessing a widespread mastery of simple technology susceptible of rendering the economy adequate and largely self-contained. Yet the people of this area have not been able to sustain themselves through agricultural production for a period of sixty years or longer. Since 1880 nearly all of the families have supplemented their production with wage work outside the area. Within the last few years, the possibilities of supplementing their livelihood from outside sources have vanished for a vast majority, and there is no apparent likelihood of the return of these possibilities.

Beginning 1932 and until May of this year, direct relief in a measure filled the need for cash. After May, the people formerly receiving direct relief were taken over in one form or another by the Rural Rehabilitation Division of the Resettlement Administration or by the Works Progress Administration. Since the inception of governmental activity in the area all attempts at help have been centered around the individual. It has so far not





been possible to change the working of the present economy in order to alter its structure. If every individual family from Santa Cruz to Truchas were extended credit but the basic resources were not enlarged and the methods of production and certain characteristics of the economy not changed, the area still could not support itself.

The present economy is characterized by the widespread ownership of some land at least, the opportunity of living in an adequate dwelling without cash outlay, and over and above this the limited but persistent need for a small amount of cash. Land holdings are small; they vary from two to eight acres per family in most cases. Cash needs vary somewhat with the possession of resources; a family of five requires about \$250 a year.

In this area there are approximately eight hundred families (3,900 people) living in some seventeen fairly compact communities. Some six hundred and twenty-five families (3,000 people) have agricultural land varying from one-half acre to eight acres. There are about one hundred landless families leaving about 75 families owning more than eight acres, some owning as much as fifty or sixty acres of land. These large land owners are mostly concentrated in the lower valley near the Rio Grande. For the purposes of this discussion, they may be left out of consideration.

Let us consider these 3,000 people for the moment as a unified group, and visualize their basic resources in land. The present use of this land centers around a household type of



agriculture, each household cultivating a limited number of crops on small parcels of land, attempting to satisfy dietary needs.

Wheat is at present grown throughout the area. Chili is widely grown, but is more concentrated in the lower reaches of the valley. In sheltered land pockets in the lower altitudes, orchards are maintained. Alfalfa is widely used as a rotation crop with chili.

There are 1400 cattle and horses in the area and 2500 sheep and goats. More than half of the sheep and goats are concentrated around Truchas. Practically all of this stock depends on the National Forest five months out of the year. The rest of the time they are grazed on the adjacent public domain or kept alive on private lands through the supply of fodder. About 80 per cent of the sheep and goats depend yearlong on the Rosario Grant.

Looking down on the lower valley from a vantage point overlooking the village of Santa Cruz, one may observe one of the most striking examples of destruction of vegetative cover and terrain in the northern part of the state. Apart from the National Forest which is at present overstocked by animals belonging to the people of the valley, the carrying capacity of the whole area is only 250 cattle units yearlong.

The area around the village of Santa Cruz is so badly overgrazed that it demands the complete exclusion of stock for a period of at least five years. Proper land management will require



the creation of winter range on the public domain and the use of the Truchas area as summer range only.

The growing of wheat on small parcels of irrigated land in the relatively warm lower valley is clearly a waste of valuable and limited resource. The rationalization of agriculture on the basis of most effective and most productive use of land would require the institution of a mechanism of internal exchange. The chili crop occupies a central place in the agricultural economy of the area. Because there is a limited but active market for chili, because a portion of the area is eminently suited for its cultivation, and because the area produces a measurable surplus chili now serves as a medium of external exchange. Under a plan of reallocation of crops it might well serve as a medium of internal exchange.

Chili is presumably the major cash crop. Actually, however, it functions as a basis of credit at the store. Throughout the year, the storekeeper advances supplies to the grower on the basis of his next year's chili crop. Accounts are settled at harvest time. Customarily, no cash is received for the bulk of the chili produced. Two sets of prices prevail at the store. Merchandise obtained on the basis of credit carries approximately a 10 per cent mark-up.

The production of hand-woven blankets (Chimayo blankets) is a substantial source of cash income. There are some 125 weavers in the area who supplement their regular agricultural income from this source.





The financing of this craft activity and the marketing of the finished product is in the hands of several large dealers. Their operations contain elements of a credit transaction. They supply raw materials at a price, limit production, and set the price of the finished product.

Here, then, are two types of surplus production with cash potentialities. The only opportunity of cash conversion, however, is obtained at the cost of a substantial levy.

There are other conditions in the economy which result in a lessened productivity. The loss of water through seepage in the ditches, for example, especially in the lower parts of the valley, is as high as 25 per cent.

The possibility of intensive agriculture in the lower valley remains unexplored. Truck-gardening, with Santa Fe as a marketing outlet, might well be a successful enterprise. However, such an enterprise involves not only problems of production but necessitates proper standards of grading in a modern scheme of marketing.

The system of agriculture in the area is susceptible of improvement through the use of fertilizer, improvement of seed, improvement of planting methods, and through better use of land and more systematic use of water.

There are available in the area a few blocks of land susceptible of being irrigated at a reasonable cost. The management of these lands, within a scheme of rationalized agriculture, may



be the means of providing those people without land a basis of livelihood.

It is clear that this area has a deficiency of resources aggravated by numerous losses in the economy incurred in the process of exchanging its products with the outside world. There is a progressive deterioration of land and water resources through unsystematic use.

Any realistic rehabilitation must be undertaken on the basis of unified action and must be conceived in terms of the total economy of the area, as against mere financing of individual or community enterprises.

Rehabilitation of this area must concern itself (1) with the development of new resources, (2) with the improvement of the techniques of land use, (3) with the alteration of the structure of the economy to permit the elimination of burdensome levies.

Such a scheme of rehabilitation if undertaken might well become the local point around which all phases of governmental activity directed toward a long term balanced use of resources might be developed as a unified folk enterprise.

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